

Message Text

CONFIDENTIAL

PAGE 01 KINSHA 08749 131200Z
ACTION AF-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-05 OMB-01 CEA-01 L-03 H-01
PA-01 PRS-01 AGRE-00 CIAE-00 COME-00 FRB-03
INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 /085 W
-----074231 131525Z /44

R 131100Z SEP 77
FM AMEMBASSY KINSHASA
TO SECSTATE WASHDC 5750

C O N F I D E N T I A L KINSHASA 8749

E.O. 11652: N/A
TAGS: ECON EFIN EALR CG
SUBJ: ZAIRIAN STABILIZATION PROGRAM - JULY COMPLIANCE REPORT

REF: KINSHASA 8049

1. SUMMARY: JULY COMPLIANCE FIGURES INDICATE THAT ZAIRE IS MANAGING
TO STAY
WELL WITHIN THE CREDIT AND FX EXPENDITURE LIMITS SET BY THE STABIL-
IZATION PROGRAM, BUT NO INFORMATION IS YET AVAILABLE ON ARREARAGE
ACCUMULATION. TREASURY RECEIPTS CONTINUE TO BE ABOVE EXPECTATIONS,
AS DO EXPENDITURES, WITH THE YEAR'S PROJECTED DEFICIT STILL LIKELY
TO EXCEED THE Z160 MILLION ANTICIPATED BY THE IMF. END SUMMARY

2. FOLLOWING ARE JULY COMPLIANCE FIGURES IN MILLIONS OF ZAIRES:

- A. NET CREDIT OF THE CENTRAL BANK TO THE GOZ 836
- B. PRIVATE BANKING CREDIT TO THE GOZ 78
- C. BANKING SYSTEM CREDIT TO INDIVIDUAL CREDITORS 468
- D. TREASURY RECEIPTS 65
- E. TREASURY EXPENDITURES 72
- F. GROSS FX HOLDINGS OF THE CENTRAL BANK 101
- G. GROSS FX LIABILITIES OF THE CENTRAL BANK, INCLUDING IMF
CREDITS 229
- H. EXPORT RECEIPTS N/A (JUNE - Z67 MILLION)

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINSHA 08749 131200Z

- I. GECAMINES GROSS EXPORT RECEIPTS 55
- J. IMPORT PAYMENTS (FOB) N/A (JUNE - Z46 MILLION)
- K. COPPER EXPORT VOLUME (TONS) 33,000
- L. PRIVATE BANK EXPORT CREDITS, DUE ON EMBARKATION OF GOODS 201
- M. AREARAGES N/A
- N. GOZ FX EXPENDITURES 5
- O. TREASURY PAYMENTS ON THE PUBLIC DEBT N/A

P. PRIVATE BANK FX HOLDINGS 156

Q. PRIVATE BANK FX LIABILITIES 42

3. THESE FIGURES COMPARE WITH THE SEPT IMF TARGETS IN MILLIONS OF
ZAIREAS AS FOLLOWS:

A. TOTAL BANK CREDIT TO THE GOZ - TARGET 954, ACTUAL THRU 7/31/77 91

4

B. TOTAL BANK CREDIT - TARGET 1434, ACTUAL THRU 7/31/77 1382

C. GOZ FOREIGN EXCHANGE EXPENDITURES - TARGET 65, ACTUAL 7/31/77 42

D. ARREARAGES - TARGET 288, ACTUAL THRU 7/31/77 UNKNOWN.

4. COMMENT: AS NOTED REFTTEL, RECENT WAGE INCREASES GRANTED AND ANTICIPATED AS THE RESULT OF LABOR UNREST AND DECREASED TREASURY RECEIPTS FROM THE ABOLITION OF THE REBATEMENT ARE LIKELY TO MAKE CONTINUED COMPLIANCE WITH THE STABILIZATION PROGRAM MORE DIFFICULT. HOWEVER, BECAUSE OF THE TIME LAG INVOLVED AND GOZ INDICATIONS THAT IT WILL NOT EFFECTUATE THE PUBLIC SECTOR INCREASES UNTIL NOVEMBER, IT IS LIKELY THAT THE IMPACT ON PERFORMANCE WILL NOT BE FELT UNTIL THE END OF 1977 OR EARLY 1978. AS A RESULT, THE GOZ MAY BE ABLE TO HOLD DOWN THE DEFICIT FOR 1977, WHICH IS STILL EXPECTED TO BE ALMOST Z190 MILLION, AND REMAIN WITHIN ITS CREDIT RESTRICTIONS FOR THE YEAR; BUT THE CREDIT CEILING THRU APRIL 1978 MAY PROVE EXTREMELY DIFFICULT TO MEET.

DAVIS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC STABILITY, FINANCE
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KINSHA08749
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770331-0832
Format: TEL
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770971/aaaachls.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e0450548-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 KINSHASA 8049
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1298158
Secure: OPEN
Status: NATIVE
Subject: ZAIRIAN STABILIZATION PROGRAM - JULY COMPLIANCE REPORT
TAGS: ECON, EFIN, EALR, CG
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e0450548-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009